

# New Developments and Constraints in Japan-Australia Relations

---

*Liu Qing*

Japan and Australia, both located in western Pacific, are regarded as “anchors” for the United States’ Asia-Pacific strategy. The direction of relations between Japan and Australia, therefore, is bound to have a profound impact on the strategic landscape of the Asia-Pacific and the evolution of the regional order. In recent years, the rapid warming of relations between the two countries has drawn a great deal of attention. It is thus of great practical significance to comprehensively understand the reasons for their burgeoning relations and the inherent constraints on its future improvement, in order to accurately judge the development of regional situation and properly handle China’s relations with the countries concerned.

## New Developments in Japan-Australia Relations

In recent years, the bilateral relations between Japan and Australia has witnessed further development and are now defined as a “special strategic partnership.” Their bilateral cooperation in diplomacy, security and economic development has been comprehensively upgraded, with their cooperation in traditional security making huge progress.

### **Developing the “special strategic partnership”**

Japan and Australia has been enhancing their bilateral cooperation from a strategic perspective. In July 2014, Japanese Prime Minister Shinzo Abe visited

---

**Liu Qing** is Director of the Department for Asia-Pacific Security and Cooperation, China Institute of International Studies (CIIS).

Australia and a Joint Declaration was made with the then Australian Prime Minister Tony Abbott. The declaration clearly defined the relationship between the two countries as “special strategic partnership.”<sup>1</sup> Its “distinctiveness” is reflected in the following major aspects:

First, summits between the countries’ leaders have been institutionalized. In the 1960s, Japan and Australia began to establish a bilateral consultation and cooperation mechanism. In 2007, the two countries issued their Joint Declaration on Security Cooperation, building a regular dialogue mechanism attended by each country’s foreign minister and defense minister, namely the “2+2” mechanism, to discuss bilateral security cooperation and deepening alliance partnerships with the United States. This declaration marked the institutionalization of strategic cooperation between Japan and Australia. With the deepening of their bilateral relations, establishing a regular summit mechanism attended by top leaders was put on the agenda. The two countries decided to hold a summit every year alternately, launching the annual summits between their top leaders in July, 2014. In December 2015, Malcolm Turnbull, Australia’s newly elected PM, arrived in Japan to meet with Abe. In addition, the leaders of the two countries have held frequent “meetings” to discuss issues of common interest on occasions such as the APEC Economic Leaders’ Meeting and the G20 Summit.

Second, they have both allowed the other to participate in security meetings of their respective cabinets. Abe invited visiting Prime Minister Abbott to attend a special session of the Japanese National Security Council meeting in April, 2014. Abe said that “Japan and Australia embrace universal values such as the rule of law” and “have common strategic interests in the Asia-Pacific region.” Abbott being invited to attend Japan’s top confidential cabinet security meeting bears testimony to the close ties between Japan and Australia. On the occasion, Abbott said that he was willing to deepen cooperation in defense and security. In return, Abe was invited to attend an Australian National Security Committee meeting at which he explained Japan’s

---

1 Kevin Placek, “Australia and Japan’s ‘Special Relationship,’” *The Diplomat*, July 9, 2014, <http://thediplomat.com/2014/07/australia-and-japans-special-relationship>.

easing of restrictions on collective self-defense and other issues to the Australian cabinet members.

Third, close cooperation has been realized on a number of regional hotspot issues. Japan and Australia have shown their shared stance on bilateral occasions and criticized China indirectly on a frequent basis regarding the East China Sea and South China Sea issues. The two countries have both voiced support for the United States' "freedom of navigation" operations and called on China and the ASEAN countries to formulate a Code of Conduct for the South China Sea as early as possible based on the United Nations Convention on the Law of the Sea. Australia said it understood Japan's approach to the East China Sea issue and opposed China's announcement of an East China Sea Air Defense Identification Zone. The bilateral "2+2" meeting has called on China and Japan to build a "maritime communication mechanism" and said they are opposed to changing the status of the East and South China Seas by unilateral military actions. In 2015, the heads of Japan and Australia said at a meeting that all the parties concerned should exercise restraint, abide by international law, ensure freedom of navigation and overflight, oppose military installations in the sea, condemn "coercive and unilateral action" and call for a halt to "large-scale island building." In addition, in terms of the Korean Peninsula issue, the two countries condemned nuclear tests and missile launches by the DPRK and prompted the UN Security Council to adopt a resolution that imposes new sanctions on it.

### **Advancing cooperation in traditional security**

Since Japan and Australia issued their Joint Declaration on Security Cooperation in 2007, the two countries have mainly focused on cooperation in non-traditional security fields such as humanitarian assistance and disaster relief. In 2010, the two countries signed the Acquisition and Cross-servicing Agreement (ACSA), and promised to support each other with materials and personnel including food and fuel in fulfilling UN peacekeeping operations and major disaster relief. Australia became the second country after the United States to sign such an agreement with Japan. In response to the

Great East Japan Earthquake in 2011 and the super typhoon Haiyan that hit the Philippines in 2013, Japan and Australia showed a strong ability to act synergistically. In the past two years, their bilateral cooperation has expanded gradually to fields concerning traditional security.

First, Japan's new security bills have paved the way for both countries to enhance military cooperation. In September 2015, the upper house of the Japanese Diet passed a new security bill, lifting the ban on the right to collective self-defense and allowing the Japan Self Defense Forces (SDF) to expand its overseas operations, which has provided the legal framework enabling more cooperation between the SDF and the Australian Defense Force in traditional security. For example, Japan, Australia and the United States can carry out joint training and missile defense operations. Besides, should Australian ships support US military operations in the Asia-Pacific, Japan can come to the aid of Australia.<sup>2</sup>

Second, Japan will step up cooperation in defense equipment and technology with Australia. In April 2014, the two countries decided to begin negotiations for an agreement on a framework for cooperation in the field of defense equipment and technology. In July that year, the two countries signed the Agreement Concerning the Transfer of Defense Equipment and Technology, and agreed to start cooperation in ship hydrodynamics research in 2015. In October 2014, during Australian Defense Minister David Johnston's visit to Japan, the two sides agreed to strengthen cooperation in defense equipment and technology and proposed to establish a forum for the defense industry devoted to discussing the airframe equipment of the fifth generation fighter F-35 and defense procurement procedures.<sup>3</sup> The legal basis for bilateral cooperation still exists despite Japan's failure to bid for constructing submarines for the Royal Australian Navy in April 2016.

Third, intelligence sharing has been upgraded. In 2001, Japan and

---

2 Yusuke Ishihara, "Watch Out, China: Japan and Australia Are Getting Closer," *The National Interest*, May 6, 2015, <http://nationalinterest.org/blog/the-buzz/watch-out-china-japan-australia-are-getting-closer-12820>.

3 Marina Malenic, "Australia, Japan to Provide F-35 Heavy Maintenance in Asia-Pacific," *IHS Jane's Defence Weekly*, December 17, 2014.

Australia signed a cooperation agreement on space information. Australia allowed Japan to set up a spy satellite ground station at the International Telecommunications Center in Landsdale near Perth in Western Australia, making it possible for the two countries to cooperate in intelligence during military operations.<sup>4</sup> In May 2012, Japan and Australia signed an Information Security Agreement, establishing a military intelligence exchange mechanism which shows that Japan-Australia intelligence cooperation has reached the same level as that between both countries and the United States respectively.

Fourth, military exercises are conducted on Japanese and Australian territories. Over the past two years, joint military exercises of the two countries have been elevated to a new level, performed from the sea to the land, and from high seas to more sensitive offshore waters. Armed forces of the two countries have come to each other's territory in order to facilitate joint military training and achieve integration that ranges from troop deployment to equipment utilization. In November 2014, Japanese, US and Australian forces kicked off their first joint training in Japan's Miyagi Prefecture. In July 2015, Japan joined the "Exercise Talisman Sabre" with Australia and the US in Australia's Queensland for the first time, and worked together in logistics, intelligence and technology sharing. In November 2015, the bilateral "2+2" talks further agreed to speed up the signing of the Agreement on the Status of Visiting Forces, which will greatly streamline government approval procedures for military exercises by the two defense forces on their territories.<sup>5</sup> In April 2016, a submarine and two frigates of the Japanese Maritime Self Defense Force visited Sydney, the first time in history that a Japanese submarine had entered an Australian port.

In addition, the two countries also initiated cyber security cooperation. In February 2015, Japan and Australia established a cyber security dialogue mechanism, which centered on their cyber security policies, the international

---

4 Grant Taylor, "Japan Plans WA Spy Base," *West Australian*, October 17, 2001, p.11; Brendan Nicholson, "WA Stations Help Launch Japanese Spy Satellites," *The Age*, March 30, 2003, p.12.

5 Yuki Tatsumi, "Japan-Australia Relations: Beyond the '2+2'," *The Diplomat*, December 5, 2015, <http://thediplomat.com/2015/12/japan-australia-relations-beyond-the-22>.



Foreign and Defense Ministers of Australia and Japan tour the Royal Australian Navy Landing Helicopter Dock, HMAS Canberra, during a visit to Garden Island, Australia in November, 2015.

Courtesy of Australian Department of Defense Image Library

rules on cyber security, the legal applicability of national actions in cyberspace, as well as the laying out of confidence-building measures on cyber security in ASEAN forums and other international and regional forums. They pledged to cooperate in combating cybercrime and protecting critical infrastructure.<sup>6</sup> Institutions involved in the cooperation include the Cyber Security Policy and Coordination Committee (CSPC), the Cyber Policy Working Group and the Cyber Security Operations Center from the Australian side, and the Cyber Defense Working Group and National Information Security Center from the Japanese side.

### **Upgrading economic and trade relations**

Japan and Australia consider the signing of a free trade agreement as the cornerstone to enhance their strategic cooperation. In 2007, the two countries

---

<sup>6</sup> “Australia-Japan to Bolster Cyber Policy Efforts,” *Tribune International (Australia)*, February 17, 2015, <http://tribune-intl.com/australia-japan-to-bolster-cyber-policy-efforts>.

launched substantive negotiations on the content of a proposed FTA. However, owing to the strong opposition of Japanese agricultural interest groups and other reasons, the negotiations once stalled, until Shinzo Abe took office as Prime Minister for the second time in 2012, who regarded signing a free trade agreement with Australia as a crucial step to enhancing bilateral strategic relationship, and garnered support from both the Liberal Democratic Party (LDP) and the New Komeito Party (NKP). On the Australian side, despite the frequent changes in leadership, both Labor and Coalition governments see promoting FTA negotiations as an important achievement.

After seven years of negotiations, the two countries signed an Economic Partnership Agreement (EPA) in July 2014. Japan made major concessions in imports of agricultural products, while Australia agreed to give more preferential tariff treatment to Japan's manufacturing exports. Under the agreement, preferential access is provided by the Japanese government to Australian beef, cheese, horticulture, wine and seafood. Wool, cotton, lamb and beer from Australia enjoy zero tariff treatment. Meanwhile, Japan's exports to Australia, such as cars, home appliances and electronic products will also be free from import tariffs. Australia also promised to attract more Japanese investment. In addition, the agreement also specified further liberalization of the financial, education, telecommunications and legal services markets. The signing of the agreement, which came into effect on January 15, 2015, has far-reaching implications for bilateral relations as well as regional economic and trade cooperation. Australia has become the first major exporter of agricultural products to reach a trade agreement with Japan. This agreement played an exemplary role for the Trans-Pacific Partnership negotiations, facilitating compromise among member states and speeding up the negotiation process.<sup>7</sup>

In March 2016, the central banks of Japan and Australia signed a bilateral currency swap agreement up to a maximum of 20 billion Australian dollars or 1.6 trillion yen, which is conducive to maintaining the stability of the two

---

7 Ministry of Foreign Affairs of Japan, "Japan-Australia Economic Partnership Agreement," <http://www.mofa.go.jp/policy/economy/fta/australia.html>.

countries' fiscal policies.

### **Strengthening third-party cooperation**

Japan and Australia have also strengthened cooperation with third parties other than the United States.<sup>8</sup> During his visit to Japan in April 2014, Prime Minister Abbott clearly expressed his willingness to enhance cooperation with Japan in pursuit of economic development, peace and stability in South Pacific. In June, at the Japan-Australia “2+2” talks, the two sides reached a consensus on strengthening regional cooperation. In May 2015, Australia sent four ministerial officials to attend the 7th Japan-South Pacific Forum (SPF) Summit Meeting held in Japan. Japan announced at the meeting that it would provide Pacific island countries with at least 55 billion yen (approx. 4.53 billion dollars) of aid within three years. In November, the governments of Japan and Australia decided to formulate the Strategy for Cooperation in the Pacific and put forward a joint assistance plan to help Pacific island countries build infrastructure, promote trade and investment, improve the marine economy and enhance their capability to uphold maritime security. Australia has always seen South Pacific island countries as its traditional backyard, so it is rather sensitive to interference from other countries. Through the joint strategy, Japan, while showing respect to Australia, gained its leverage in the South Pacific.

The two countries have intensified their diplomatic and security cooperation in Southeast Asia, including raising the maritime domain awareness and joint operation capacity of relevant countries. The Philippines has been the primary recipient of their support: in May 2012, Japan pledged to provide 12 patrol boats to the Philippines, and Australia promised to provide it with two retired naval landing ships; in July, the Philippines Senate approved the Agreement on the Status of Visiting Forces with Australia that had been stranded for five years, kicking off official annual joint military exercises, and a document on strengthening maritime security cooperation was signed between

---

<sup>8</sup> Malcolm Cook, Thomas Wilkins, “Aligned Allies: The Australia-Japan Strategic Partnership,” December 24, 2014, <http://www.tokyofoundation.org/en/articles/2014/aligned-allies>.

the Defense Ministers of Japan and the Philippines, paving the way for the two sides to conduct military exercises in the South China Sea. In June 2015, Japan and the Philippines held a joint military exercise in the South China Sea for the first time, bringing bilateral military cooperation to a new phase.

Japan and Australia have also worked together to enhance their relationship with India, initiating a new trilateral organization consisting of Japan, Australia and India. In June 2015, the three countries established a dialogue mechanism at the deputy foreign ministerial level and held their first consultation in India. In February 2016, the three countries held a second consultation in Tokyo to discuss the situation in the South China Sea, East China Sea and Indian Ocean, expressing “strong concern” over the “militarization” of the South China Sea. The participants claimed “the need to establish new rules in the region to secure the rule of law and the freedom of navigation.”<sup>9</sup>

## **Internal and External Motivations of Japan-Australia Cooperation**

Against the backdrop of profound changes in the regional landscape and order, Japan and Australia are facing an important choice in the strategic directions they take. The strengthening of bilateral cooperation, pushed by both internal motivation and external pressure, has deep political and economic foundations.

### **Boosting the economy**

Huge mutual economic interests prompted the two sides to look at their bilateral cooperation from a strategic perspective. In the early 1950s, the Menzies government of Australia began to adopt a pragmatic policy of tolerance toward Japan. The economic and trade relations between the two countries began to recover ever since. With the 1957 Agreement on

---

9 “Japan, Australia, India Share Strong Concerns over East Sea Tensions,” February 27, 2016, <https://www.talkvietnam.com/2016/02/japan-australia-india-share-strong-concerns-over-east-sea-tensions>.

Commerce, their relations have been closely linked by large-scale trade,<sup>10</sup> and the two countries now occupy an increasingly significant position in each other's trade strategy.

Japan was Australia's largest trading partner and export market before 2007. Today, Japan is Australia's second largest trading partner and export market behind China. In the 2014-15 fiscal year, the bilateral trade volume between the two countries amounted to 67.6 billion Australian dollars. In terms of total foreign investment, Japan is also Australia's largest source of foreign capital in Asia and the fourth largest in the world. By the end of 2014, Japan's investment in Australia reached 174.7 billion Australian dollars; in 2015, Japan invested 85.9 billion Australian dollars in Australia, making it the second largest source of foreign capital of the year.<sup>11</sup> Australia's heavy dependence on Japan's trade and investment has made Japan its major foreign strategic focus. In 2012, Australia listed Japan, China, India, Indonesia and South Korea as key contact countries in its Australia in the Asian Century white paper and published a national strategy report on Japan.

Australia is a major raw materials and energy supplier for Japan, which imports 60 percent of its coal, iron ore and other resources from Australia. At present, 20 percent of Japan's imported liquefied natural gas (LNG) comes from Australia. By 2020, this proportion is expected to rise to 40 percent. At the same time, Australia is also an important export market for Japan, especially for automobiles, electronics and white goods. Japan is the main source of cars imported into Australia, with 33 percent of the total coming from Japan in 2009.<sup>12</sup> In recent years, in order to cope with the subsequent impacts of the financial crisis and restore economic growth, Japan and Australia have further strengthened their macroeconomic policy coordination and cooperation. In 2012, when Abe came to power again, boosting the Japanese

---

10 "Scrum-halves: Australia and Japan," *The Economist*, July 12, 2014, <http://www.economist.com/news/asia/21606903-closer-security-ties-japan-unsettle-some-australians-scrum-halves>.

11 Department of Foreign Affairs and Trade of Australian Government, "Overview on Japan Country Brief," <http://dfat.gov.au/geo/japan/pages/japan-country-brief.aspx>.

12 Fu Jianhua and Mou Wei, "Automobile Market of Australia and Its Entry Requirements," *Automobile & Parts*, Issue 50, 2011, p.36.

economy and expanding trade relations became the internal and external focuses of the administration. Given that an FTA between China, Japan and South Korea will be difficult to realize within the short term in the context of deteriorating China-Japan relations, Australia will be the primary partner to upgrade Japan's free trade strategy as Japan is working to promote diversified trade and investment. For Australia, its dependence on the Japanese market has been further enhanced in the context of falling global bulk commodity prices and a shift from the seller's market to the buyer's market in the trade in energy resources. In addition, Australia, from the perspective of political security, has been trying to reduce reliance on the Chinese market, and thus Japan is undoubtedly one of its ideal choices.

### **Responding to changes in the regional pattern and order**

Over the past 20 years, the Asia-Pacific region has undergone major changes. The economic gap between China and the United States has narrowed. China's total economic output has increased to be the second largest in the world while Japan's has dropped to the third. Mechanisms such as "10+1," "10+3" and "10+6" are leading regional cooperation, and ASEAN Centrality becomes the main theme of regional integration. The attempts by North Korea to produce nuclear weapons are having a harmful impact on the regional security order, and the competition between missile proliferation and missile defense systems is entering a new round. The disputes over territory and maritime rights and interests in East Asia are ramping up, which heralds a reshape of maritime rules. Furthermore, a governance vacuum has emerged in fields such as cyber security and the peaceful use of space. All these major changes are increasing concerns of both Japan and Australia about regional security.

The ability of the United States to control the Asia-Pacific region is gradually in decline. The ongoing anti-terrorism warfare and its deep intervention in West Asia and North Africa have overdrawn the United States' strategic resources and made its investment in the Asia-Pacific region relatively limited. As the US leadership in the region is fading away,

Japan and Australia, as surrogates for regional interests of the West, feel the most about the West's declining dominance in the Asia-Pacific and share an aspiration to reshape the regional order. The US rebalance strategy has created opportunities for both countries to make full use of their "dual identities" as Asia-Pacific countries and Western countries, intensify their cooperation in various fields and disrupt the Asian "multi-level order."<sup>13</sup> The two countries, by joining the TPP, are looking forward to the reconstruction of the regional economic order together with the United States, and shaping a regional security architecture through a variety of bilateral and mini-lateral mechanisms.

Japan and Australia are not comfortable with China's rapid economic growth and surging influence. Consequently, Japan's attitude toward China has shifted dramatically. While strengthening the Japan-US alliance, Japan is anxious to impede China's development by setting up a regional political and security system as a replacement of the Asia-Pacific order in the post-US hegemony era. In this regard, establishing close ties with Australia can offset its weakness in confronting China alone, since Australia remains a major Western power in the Asia-Pacific. During his visit to Australia, Abe made it clear he wanted Japan and Australia to "join up in a scrum, just like in rugby, to nurture our regional and the world order and to safeguard peace."<sup>14</sup> For Australia, it has always been anxious about "the threat from the North." Japan bombarded Australia during the World War II. Indonesia is hostile to Australia on the East Timor issue. The current refugee crisis and Islamic extremist infiltration are also from the North. Similarly, Australia holds that there are risks and uncertainties in China's rise, and thus it believes it imperative to be cautious when cooperating with China. Based on historical experience in Europe, some Australian political leaders and conservative think-tank experts strongly believe that "a country is bound to seek hegemony when it becomes

---

13 Elena Atanassova-Cornelis, Frans-Paul Van Der Putten, *Changing Security Dynamics in East Asia: A Post-US Regional Order in the Making?* Palgrave Macmillan, November 2014, p.37.

14 "Japanese Prime Minister Shinzo Abe Addresses Australian Parliament," July 8, 2014, <http://australianpolitics.com/2014/07/08/shinzo-abe-addresses-australian-parliament.html>.

powerful,” and remain skeptical about China’s peaceful rise. Australia’s 2013 and 2016 Defense White Papers both indicated that Australia welcomed China’s economic growth, but also noticed that China was expanding its influence in the Asia-Pacific region, suggesting China’s assertiveness in tackling the territorial disputes in the East and South China Seas has “created uncertainty and tension in our region.” The limited security cooperation between Australia and Japan serves as a supplement to the Australia-US alliance, which, to some extent, has responded to Japan’s “relentless” rallying while shunning China’s fierce opposition.

### **Relying on each other to realize respective strategic ambitions**

The advancement of Japan-Australia strategic cooperation is conducive to improving their international status and alleviating their “identity anxiety” to some extent. Japan regards Australia as an important way to realize its goal of “normalization” while Australia hopes to realize its “Asianization” by capitalizing on Japan, speeding up construction of the identity of an Asian country in order to play a more important role in the region.

First, Japan and Australia both have a strong desire to realize political ambitions in the Asia-Pacific region. Japan has been plotting to lead East Asia for a long time. In recent years, driven by right-wing forces, the call to realize the “normalization” of Japan has become loud and Japan has accelerated its pace to becoming a military power. Domestically, Japan has officially lifted the ban on collective self-defense by enacting new security bills and accelerating constitutional amendment. Internationally, Japan has integrated diplomatic and economic measures to seek support and regarded Australia as a tempting target for cooperation as it “shares common values.” Australia, meanwhile, is not content with being in the South Pacific and playing the role of a middle power. Against the background of Asia’s rise, Australia has gained economic prosperity by strengthening cooperation with Asian countries and forming closer security ties with them. Therefore, Australia is eager to “go out of Europe and go into Asia.” And with Asia now the priority for its foreign policy, Australia is putting its diplomatic emphasis in the region on Japan, as

it is an ally of United States and a traditional East Asian power.

Second, there's an overlap of both parties' strategic focuses. Japan is no longer content to just react to the "surrounding situation." Instead, it wants to increase its influence in regional affairs. To Japan, Australia is an important ally of the US in the Asia-Pacific region and shares its geopolitical aims, which provides suitable conditions for cooperation. As for security, Australia has chosen to "go north" and squash into regional multilateral mechanisms like East Asia Summit with the help of Japan. The new geographical idea of "Indo-Pacific" advocated by Japan and Australia is intended to expand their strategic space respectively. In January 2013, Shinzo Abe first mentioned the "Indo-Pacific," specifying the extension of Japan's strategic focus from the Asia-Pacific region to the Indian Ocean region in order to construct a comprehensive maritime security system. In October 2012, Australia formally put forward the concept of the "Indo-Pacific strategic arc" in its Australia in the Asian Century white paper, and the concept was included in its 2013 and 2016 defense white papers, in which it claimed that the Asia-Pacific is of lasting interest to Australia and the Indo-Pacific is a logical extension of broader Asia-Pacific. Australia thus aims to ensure, beyond guaranteeing homeland security, the security of neighboring area covering Southeast Asia, the South Pacific and the Indian Ocean region.<sup>15</sup>

Third, their strategic cultures have much in common. Japan is a maritime state with a large population, few resources and limited strategic depth. As a result of its traditional Bushido spirit and collectivism, Japan's culture has a clear sense of clique, and it seeks to align with the powers worldwide to gain strategic support. Since modern times, Japan has aligned with the United Kingdom, Germany and Italy, and the United States successively. Australia has a vast territory, a sparse population, and is surrounded by sea. It has clear identity anxiety and security concerns due to its geographical isolation. To ensure security, Australia first sought protection under the British Empire, and then sought an alliance with the United

---

15 Department of Defence of Australian Government, "2016 Defence White Paper," <http://www.defence.gov.au/whitepaper/Docs/2016-Defence-White-Paper.pdf>.

States.<sup>16</sup> As a result, Japan and Australia have been “indirect allies” as part of the UK and the US alliance systems, and are familiar with the adjustment of security cooperation based on changes in the international and regional situation. In recent years, with the relative decline of the US strength, Japan and Australia have had a stronger desire to enhance their security ties. With a common “leader,” the shared identity with the “American bloc,” the two countries have a “natural” intimacy and believe that cooperation can help enhance the security interests of the bloc.

### **Promotion of the US rebalancing strategy**

The United States has initiated the rebalancing strategy, re-positioning the strategic value of Japan and Australia as the “double anchor” in the region, and expects them to shoulder more defense responsibilities so as to support its strategic operations.

The United States supports the lifting of Japan’s post-World War II domestic constraints on its political and legal system to realize its aim of “normalization,” including the enactment of new security laws, lifting the ban on collective self-defense and speeding up the constitutional amendment process. The two countries have revised the Guidelines for Japan-US Defense Cooperation to promote the division of labor in defense cooperation, and stressed that both sides will strengthen their military ties with regional partners. Through joint military exercises, the US has gradually brought the Japan Self Defense Forces into the South China Sea, the South Pacific and the Indian Ocean region. So far, the SDF has participated in US-Australia military exercises in the surrounding waters and inland areas of Australia, and enhanced its military cooperation capabilities. The US has also urged Japan and Australia to strengthen information exchanges in areas such as missile defense systems and promote inter-operability in both hardware and software aspects.

---

16 Alex Burns and Ben Eltham, “Australia’s Strategic Culture: Constraints and Opportunities in Security Policymaking,” International Studies Association Annual Convention 2013, <http://www.alexburns.net/Files/ISA2013BurnsEltham.pdf>.

The United States has reconfigured the military resources between the “double anchor” of Japan and Australia from prioritizing the former to putting equal emphasis on both, which has greatly enhanced the role of Australia in the alliance system. In terms of division of labor, the US, while regarding Japan as the frontier base in the Asia-Pacific, has been designing Australia into a base for logistical support, which marks a southward shift of its regional military focus. As the strategic pivot in the South Pacific, Australia is a key area for the US to enhance its military deployment. Given that establishing a permanent base in Australia will be affected by political factors, the US armed forces are flexibly stationed in Australia on a rotational basis. The unscheduled rotation shows the ability of the US to quickly replenish frontier deployment and expand theater boundaries, thus achieving multiple policy objectives such as sending symbolic signals of deterrence and assuring its regional allies and partners. Since the rotation arrangement does not have a large “footprint,” it is not much affected by Australia’s domestic politics.<sup>17</sup>

The United States has also been strengthening trilateral cooperation with Japan and Australia and building a “key triangle” in its rebalancing to the Asia-Pacific. Traditionally, the US Asia-Pacific alliance system was framed with a number of parallel bilateral alliances, where the allies remain independent of each other without any security and mutual assistance obligations by agreement. In recent years, the US has been actively promoting security cooperation among its regional allies, especially between Japan and Australia, to compensate for its own lack of resources in the region. The Japan-Australia Joint Declaration on Security Cooperation in 2007 laid the legal foundation for trilateral cooperation. In the same year, the US promoted the institutional framework of trilateral “2+2” mechanism, through which the three countries continually put forward new initiatives and regularly assess the opportunities and challenges facing their trilateral defense so as to solve the institutional

---

17 Stacie L. Pettyjohn and Alan J. Vick, “The Posture Triangle: A New Framework for U.S. Air Force Global Presence,” RAND Research Report, [http://www.rand.org/content/dam/rand/pubs/research\\_reports/RR400/RR402/RAND\\_RR402.pdf](http://www.rand.org/content/dam/rand/pubs/research_reports/RR400/RR402/RAND_RR402.pdf).

barriers of mutual coordination.<sup>18</sup> The strategic focus of US-Japan-Australia cooperation centers on dealing with maritime crises and maritime capacity building. In the trilateral talks in November 2014, the three countries called for peaceful settlement of maritime disputes. In July 2016, foreign ministers from the three sides held a “ministerial strategic dialogue” and issued a joint statement, referring to the East and South China Seas and expressing serious concern about the disputes in the South China Sea.

## **Future Direction and Constraints of Japan-Australia Cooperation**

Japan-Australia cooperation has gradually been institutionalized, and bilateral relations is now in a mature and stable period. In the future, the cooperation will mainly focus on capacity building for making the regional rules and shaping the regional order. Several key areas are worthy of attention: First, promotion of diversified regional free trade order and supporting negotiations for the Regional Comprehensive Economic Partnership (RCEP), while pushing the Trans-Pacific Partnership (TPP) into effect as soon as possible and promoting its further expansion. Japan and Australia may take the lead in their respective legislative approval of the TPP, in order to pressure the US to pass the agreement. Second, speeding up negotiations on the Agreement on the Status of Visiting Forces, advance cooperation in military personnel exchanges and logistics, and increase the frequency of joint military exercises in order to strengthen coordination in operations. Third, under the US-Japan-Australia trilateral mechanism, strengthening the two countries’ cooperation with the US in diplomacy and security, especially in air and sea reconnaissance and missile defense systems. Fourth, through bilateral, trilateral or regional multilateral mechanisms, attracting and expanding cooperation with regional partners such as the Philippines, Vietnam and Indonesia.

Despite the good momentum of cooperation between Japan and

---

18 William T. Tow, “The Trilateral Strategic Dialogue, Minilateralism, and Asia-Pacific Order Building,” in Yuki Tatsumi, *US-Japan-Australia Security Cooperation: Prospects and Challenges*, The Stimson Center, April 2015.

Australia, constraints are also prominent.

First, the interests of the two sides differ. Due to different geographical locations, resource endowments and historical entanglements, there are obvious differences and even conflicts between Japan and Australia in dealing with some problems because of their different practical interests. In dealing with relations with China, Japan and Australia are both hedging their bets: on the one hand they are maintaining economic and trade exchanges with China, and seeking to share the dividends of China's economic development; on the other hand they want to strengthen their alliances with the United States to contain China's growing influence in the Asia-Pacific region. However, the perceptions and specific policies of Japan and Australia toward China differ greatly. Japan regards China as a competitor, and fears that once it becomes powerful enough, China will seek redress for the Japanese invasion of China. Therefore, Japan wants to contain China from rising, and has instigated tit-for-tat competition with China in the region and even worldwide. Australia's view of China is relatively neutral, and it is seeking a balance between China and Japan. Most politicians and strategists in Australia believe that Australia's prosperity is inseparable from China. When it comes to the development of its relations with Japan, they say Australia should pay close attention to China's attitude instead of being simply tied to the interests of Japan, otherwise it will face a "very big risk;"<sup>19</sup> If Australia is overly pro-Japan, it will reduce its role in the balance between China and Japan and will not be conducive to Australia seeking a trade-off between the two countries;<sup>20</sup> When developing security relations with Japan, Australia should keep a low profile and act prudently, and in the meantime advance the development of China-Australia security relations. In June 2014, China's first participation in the US-led RIMPAC naval exercise was driven by Australia. When US warships entered the 12 nautical mile waters around China's Nansha Islands and caused tensions in

---

19 "Scrum-Halves: Australia and Japan," *The Economist*, July 12, 2014.

20 Aurelia George Mulgan, "Australia-Japan Relations: New Directions," ASPI Strategic Insights, [https://www.aspi.org.au/publications/strategic-insights-36-australia-japan-relations-new-directions/SI36\\_Australia\\_Japan.pdf](https://www.aspi.org.au/publications/strategic-insights-36-australia-japan-relations-new-directions/SI36_Australia_Japan.pdf).

China-US relations, Australia still held joint military exercises with China in the South China Sea as originally planned.

Whaling is also an issue over which Japan and Australia often have frictions and conflicts. In 2010, Australia sued Japan in the International Court of Justice, charging that Japan's commercial whaling activities in the Southern Ocean violated the International Convention for the Regulation of Whaling. In 2013, the ICJ ruled that Japan's whaling was in violation of the moratorium on commercial whaling. Japan canceled its 2014-15 whaling plan, but then restarted it. During Abe's visit to Australia in July 2014, the then Australian Prime Minister Tony Abbott said Japan's plans to restart the Antarctic whaling program would damage the "special relationship" between the two countries. In April 2015, Australia joined New Zealand in condemning Japan for violating international law. In December the same year, during his visit to Japan, Australia's Prime Minister Malcolm Turnbull reiterated his opposition to Japan's whaling and expressed his deep disappointment over Japan's resumption of the so-called "scientific whaling." In January 2016, scientists from Australia, the US and other countries issued a statement that Japan has no scientific basis to restart the Antarctic "scientific whaling," and called on the International Whaling Commission to work out scientific assessment methods as soon as possible.

Second, there is a gap in mutual trust. The scars of World War II still affect the development of bilateral relations. Japanese politicians' visit to the Yasukuni Shrine without any solemn reflection on of their country's historical mistakes has casted a shadow over the hearts of the Australian people. During his visit to Japan in 2007, the then Australian Prime Minister John Howard indicated that Japan's attitude toward historical issues is unacceptable and the Japanese Government should stop quibbling over the details of the "comfort women," implying that any allegation that the women were not forced into sexual slavery should be censured.<sup>21</sup> In 2015, Abe was met by local protesters

---

21 Phillip Coorey, "Abe Backs Down, and Howard Turns to Security and Trade," *The Sydney Morning Herald*, March 13, 2007, <http://www.smh.com.au/news/world/abe-backs-down-and-howard-turns-to-security-and-trade/2007/03/12/1173548109938.html>.

when he delivered a speech in the Australian parliament, and Australia's mainstream media raked up Abe's past and criticized Japan's disingenuous attitude toward history.

Moreover, as the representative of Western civilization in the East, Australia still harbors a complex of white supremacy, and thus cultural barriers remain between Australia and Asian countries. In terms of the relations with Japan, Australia's trust in Japan is far less than its trust in the United States and European countries even if they hold the "common values." While Japan sees Australia as its second priority security partner (the US being the first), Japan is only one of the five priority security partners of Australia (the other four being the US, the UK, New Zealand and Indonesia), just ahead of Indonesia. Besides, Japan is not one of the "Five Eyes"<sup>22</sup> countries, and the Australian intelligence agencies are still concerned about Japan's space program, plutonium materials and possible nuclear weapons research,<sup>23</sup> considering it as a priority spying target. There is even Australian scholar that claimed Japan a "plutonium superpower."<sup>24</sup>

The current development of bilateral security ties between Japan and Australia is essentially the result of manipulation by special interest groups in both countries, and falls short of public expectations. Australia made its security relations with Japan secret to the public, with intelligence agencies, the Navy and other special institutions controlled the information, reflecting only the interests and opinions of special groups in Australia.<sup>25</sup> The Australian people's goodwill toward Japan is far less than that toward China. In June 2014, an opinion survey of the Lowy Institute for International Policy showed that over 31 percent of those surveyed believed that "China

---

22 "The Five Eyes Alliance" is an intelligence alliance composed of the United States, the United Kingdom, Canada, Australia and New Zealand, all Anglo-Saxon and English-speaking countries, sharing similar cultures and history. See Coner Friedersdorf, "Is 'The Five Eyes Alliance' Conspiring to Spy on You?" *The Atlantic*, June 25, 2013, <http://www.theatlantic.com/politics/archive/2013/06/is-the-five-eyes-alliance-conspiring-to-spy-on-you/277190>.

23 Stilwell Frank, "Neoliberal Australia and US Imperialism in East Asia," *Journal of Australian Political Economy*, Winter 2013, Issue 71, p.150.

24 Gavan McCormack, "Japan as a Plutonium Superpower," *The Asia-Pacific Journal*, Vol.5. Issue 12, 2007, <http://apjjf.org/-Gavan-McCormack/2602/article.html>.

25 Stilwell Frank, "Neoliberal Australia and US Imperialism in East Asia," p.141.

is the best Asian friend of Australia” while only 28 percent believed Japan is. In June 2016, another Lowy survey revealed that 30 percent of Australians regard China as Australia’s “best partner in Asia” while only 25 percent said Japan. In a March 2015 survey conducted by the Australia-China Relations Institute at the University of Technology Sydney on “how should Australia respond when conflict between Japan and China breaks out and the US shows its support for Japan,” 71 percent responded that Australia should remain neutral.<sup>26</sup>

Third, domestic politics causes fluctuations of bilateral relations. Transition of political power in Japan have created ups and downs in the relations between Japan and Australia. When the Democratic Party of Japan came to power in 2009, it tried to establish an “equal” relationship between Japan and the US, and pursue an “Asia First” foreign policy. It aimed to establish an East Asian Community and develop closer relations with regional countries, especially China, but Australia was not even on the list. Therefore, if the Democratic Party returns to power in the future and continues to pursue its foreign policy toward Asia, it is possible that Australia’s position in Japanese diplomacy will change again.

On the Australian side, there are also differences on security policies between the two major parties. The Liberal/National Coalition tends to be more conservative than the Australian Labor Party (ALP). In response to the pro-Japan approach of the Coalition government, Tanya Plibersek, Deputy Leader of ALP, said that Australia was adopting a “zero-sum game” approach in its foreign policy, getting friendlier with Tokyo at the expense of Beijing. The government should realize, she indicated, that Australia’s national interests lie in having good and close relationships with both China and Japan and it should press for an improvement of mutual understanding between the two. Labor Senator Patrick Dodson criticized the Coalition government’s support for Japan’s lifting of the ban on collective self-defense rights. He accused Tony Abbott of being ignorant about sensitive regional issues and said that

---

26 Michael Safi, “More Australians in Favour of Stronger Ties with China than the US, Research Reveals,” *The Guardian*, June 8, 2016.

Abbott did not attach enough importance to Australia-China relations.<sup>27</sup> Over the issue of introduction of Japanese submarines into Australia, the Labor government in South Australia even openly defied the federal government, pressuring the latter on the basis of protecting manufacturing industries and eventually forcing it to turn down the option.

## Conclusion

Japan and Australia have been establishing a “special strategic partnership” to broaden their cooperation, especially in traditional security, which is both the strategic demands of both countries and the result of pressures from the United States. However, the constraints of bilateral cooperation are also very obvious, thus we should take an objective look at the development of the relations.

First, Japan and Australia have not yet become “allies.” Their relations developed during the Cold War, was strengthened after the Cold War, and has further deepened since the United States implemented its “return to Asia.” Although the historical factor remains an obstacle to improving bilateral relations, both countries have intentionally played down its role in bilateral exchanges in recent years. The development of relations between the two countries is closely related to the transfer of international power centers and the changes taking place in the international order. It is a realistic response of both countries in the face of growing uncertainties. There is no doubt that Japan wants to develop a “quasi-alliance” with Australia. Some Japanese scholars, media and even officials have increasingly used terms such as “quasi-ally” and “de facto allies.”<sup>28</sup> But Australia has never expressed a desire to turn Japan into a full ally and make a commitment to joint defense obligations.<sup>29</sup> In November 2013, Abbott mistakenly referred to Japan as an “ally” of Australia, triggering

---

27 Latika Bourke, “Federal Government Accused of Putting Friendship with Japan Ahead of China,” *ABC News*, July 10, 2014, <http://www.abc.net.au/news/2014-07-10/australia-accused-of-favouring-japan-over-china/5587872>.

28 John Garnaut, “Australia-Japan Military Ties Are a ‘Quasi-Alliance’, Say Officials,” *The Sydney Morning Herald*, October 26, 2014, <http://www.smh.com.au/national/australiajapan-military-ties-are-a-quasi-alliance-say-officials-20141026-11c4bi.html>.

29 Yusuke Ishihara, “Watch Out, China: Japan and Australia Are Getting Closer.”

violent criticisms from the ruling party and the Opposition. Hugh White, Former Deputy Secretary for Strategy at the Department of Defense, and Shiro Armstrong, Co-Director of the Australia-Japan Research Centre at Australian National University, asked the government to be vigilant and not to be dragged into any kind of alliance with Japan aimed at keeping China in check. They thought that even building an “iron triangle” of the US, Japan and Australia would create risks. They argue instead that a broader framework including China and other countries is needed for the future Asia-Pacific region.<sup>30</sup> Given that there are different voices toward the security cooperation with Japan in Australia, the Japanese government has adopted a progressive strategy so as not to cause more strategic concerns.<sup>31</sup> Thus, it is too early to talk about Japan and Australia being allies at this stage.

Second, the role of the United States in the development of Japan-Australia relations should not be overstated. The improvement in the bilateral relations has mainly been driven by endogenous forces. Japan seeks to be a “normal” major power while Australia wants to be a “middle power.” Both countries seek to play a greater role in Asia-Pacific affairs and thus are willing to support one another. Although the US has pushed for the cooperation between the two, this has only served as an external boost. There are overlapping parts as well as differences between the strategic interests of Japan and Australia and that of the US in the Asia-Pacific region. Japan is good at hiding its pursuit of being a great power while participating in the US Asia-Pacific strategy, mobilizing Australia through the US to develop strategic cooperation, while the Australian side focuses on strengthening its alliance with the US and developing relations with Japan so as to improve its strategic position in the world. In addition, both Japan and Australia are exhibiting a strong tendency to break away from the US so as to achieve an independent foreign and security policy.

Third, Japan and Australia have adopted substantively different policies

---

30 Xu Haijing, “The Australian Public Prudently View the Australia-Japan ‘New Special Relationship’,” *Xinhua News*, July 10, 2014, [http://news.xinhuanet.com/world/2014-07/10/c\\_1111557250.htm](http://news.xinhuanet.com/world/2014-07/10/c_1111557250.htm).

31 Yusuke Ishihara, “Watch Out, China: Japan and Australia Are Getting Closer.”

toward China. China's rise, especially China's efforts to build itself into a maritime power, is regarded by Japan and Australia as a challenge to their traditional maritime vested interests. They fear that the sea lanes in the region will be controlled by China, causing greater risks to their national security and maritime trade. Therefore, the two countries have taken measures to counter China to protect their own interests, such as reducing their economic dependence on China to mitigate security risks. However, their policies toward China are significantly different. Japan engages with China when countering it, while Australia counters China when engaging with it, which reflects two utterly different mentalities. China-Australia cooperation is far closer than China-Japan cooperation. The close economic and trade relations between China and Australia makes it necessary for Australia to take into account China's interests and feelings and seek a balance when developing its relations with Japan.

Fourth, the interaction between China and the United States affects the depth of relations between Japan and Australia. The improvement in China-US cooperation is in Australia's strategic interests and is conducive to the expansion of China-Australia relations, reducing the possibility of Japan drawing the US and Australia to its side to counter China. On the contrary, any deterioration in China-US relations will make Australia face the dilemma of choosing a side. In order to achieve "strategic autonomy" and play an independent role free from the influence of China-US relations, Japan strives to build a regional economic and security system centered on itself,<sup>32</sup> in which Australia also plays a key role.

The regional influence of a strengthened Japan-Australia relations should be viewed dialectically. While we could be optimistic about the upgrading of their economic ties, which is the result of global economic integration, it is worth our vigilance that their security cooperation, directed by the Cold War mentality and targets a third party, may have negative and complex effects on regional peace and stability. 🌐

---

32 Aurelia George Mulgan, "Australia-Japan Relations: New Directions."